

EXHIBIT 8

Petrobras's \$100 Million Man Tops Graft Haul in Scandal (1)

Bloomberg News Enterprise
Published: Dec 03 2014 10:45:34

(Updated with judge's decision to release executive in seventh paragraph.)

By Sabrina Valle

Dec. 3 (Bloomberg) -- Brazil's biggest money laundering and corruption scandal just got bigger with a high-level executive's pledge to return \$100 million and testify against colleagues including his former boss at state-run Petroleo Brasileiro SA.

Pedro Barusco, a third-tier executive who reported to the head of the engineering division until 2010, contacted prosecutors and confessed he took bribes from construction companies, according to the text of a Nov. 18 decision by a judge to put Barusco's former boss under preventative arrest. Barusco also took cash from SBM Offshore NV, the Dutch oil platform supplier, said a person with direct knowledge of the probe, who asked not to be named because the information is confidential.

The testimony from Barusco threatens to implicate more people in the scandal as prosecutors probe the origins of his allegedly ill-gotten fortune. Petrobras management has been dealing with the crisis as it struggles to meet output targets and the industry adjusts to the lowest crude prices since 2009. It has put President Dilma Rousseff, who was Petrobras chairwoman from 2003 to 2010, on the defensive after she narrowly won re-election in October.

Petrobras didn't provide comment when contacted by phone and e-mail. Rousseff said Sept. 8 she was unaware of corruption at Petrobras while chairwoman.

Prison Release

Barusco has offered to turn over the largest amount to the country ever from a single person, according to the prosecution office working on the case. It's three times more than the amount agreed to by former refining director Paulo Roberto Costa, one of the leading figures to date in the 10 billion-real (\$3.9 billion) laundering and corruption investigation dubbed Car Wash.

Renato Duque, the former Petrobras director to whom Barusco reported, denies any participation in an overpricing and bribery scheme, his lawyers said in an e-mailed statement.

Teori Zavascki, a judge at the Supreme Court, ordered Duque's release from prison saying he can wait for trial in freedom. Federal judge Sergio Moro, who is in charge of the laundering and corruption case known as Car Wash in Curitiba, Brazil, said in a Nov. 18 decision to extend Duque's detention that he has large amounts of illicit funds in accounts and was clearly unwilling to obey the law.

Project Threat

The probe threatens to stall infrastructure projects in which Petrobras's contractors are involved, such as dams and highways, and blunt Rousseff's efforts to revive Latin America's largest economy. Rio's economy will suffer as additional contract scrutiny slows spending, said Julio Bueno, the state's economic secretary. Fitch Ratings Ltd. has put all of the country's heavy industry companies on negative watch until there is clarity on the results of the investigation.

"What happens at Petrobras also happens at highways, rails, ports, airports and hydroelectric dams, it happens all over Brazil," Costa told lawmakers at a hearing in Brasilia yesterday. "Once you get involved in something like this, you get in and can't find a way out."

Drillship Audit

Costa's lawyer, Joao Mestieri, didn't respond to an e-mail seeking comment. Costa said he regrets getting promoted through political connections and declined to comment on specific bribes during the congressional hearing. Barusco's lawyer, Beatriz Catta Preta, declined to comment when reached by phone from Sao Paulo.

Barusco left the state-run producer in 2010 and became a director at Sete Brasil that has won more than \$25 billion in contracts to provide drillships to Petrobras, the biggest producer in waters deeper than 1,000 feet (300 meters).

He quit Sete Brasil in 2013 for health reasons, Sete said in an e-mailed response to questions. Sete is auditing drillship contracts to identify any possible irregularities, it said.

Barusco, 58, has a home in one of Rio's most exclusive neighborhoods with a view of Joatinga beach, newspaper Folha de S.Paulo reported on Nov. 22.

Contacted Authorities

He contacted authorities about a month ago after his name started to appear in the investigations and agreed to collaborate, the person with knowledge of the case said. Duque, his former boss at the engineering division, was arrested last month along with executives from some of Brazil's largest contracting companies with whom the former Petrobras executives negotiated multibillion-dollar deals. The same construction companies were major contributors to Rousseff's campaign.

Rousseff has said before and after the election that her administration has done more than previous governments to combat graft. She said Nov. 16 that most Petrobras employees are honest and the episode will "end impunity" and change Brazil for the better. Her press office declined to provide additional comments in an e-mailed response.

New Window

Barusco offers investigators a new window into the web of industrial companies that, according to testimony from at least four other suspects included in court documents, operated in a cartel to charge inflated rates at Brazil's largest contracts, not only those involving Petrobras.

\$22 Million

Suppliers then allegedly bribed officials and a portion was distributed to parties in Rousseff's ruling coalition that had a role in appointing Petrobras' directors, according to videotaped testimony from Costa. Parties in the coalition have denied Costa's claims and didn't respond to e-mails seeking additional comments.

Costa said politicians had direct influence in naming the management team. Jose Dirceu, chief of staff for former president Luiz Inacio Lula da Silva, lobbied to make Duque a director, Costa said in testimony on Oct. 8. Duque's lawyers denied the accusations and said the executive met Dirceu in 2003, after he had already been promoted, according to the statement e-mailed to Bloomberg.

The scandal has also spread to Petrobras' international suppliers. Barusco said \$22 million of the money he plans to return came from platform leaser SBM Offshore, according to the person connected to the investigation who asked not to be named because the information is classified. SBM declined to comment in an e-mailed response. O Globo reported the alleged bribe from SBM on Nov. 22, citing a person familiar with the investigation.

'The Game'

Barusco's fortune that he built during more than two decades at the state-run oil company is held in countries including Switzerland and Uruguay, according to court documents.

SBM has agreed to pay The Netherlands's prosecution office \$240 million to settle a case of improper payments in Africa and Brazil, it said in a Nov. 12 statement.

Two executives at contractor Toyo Setal Empreendimentos Ltda. who are collaborating with authorities in hopes of reduced penalties detailed bribes they say they paid to Barusco and Duque, according to court documents.

In the documents, Toyo executives Julio Camargo and Augusto Mendonca mention at least nine major Petrobras contracts, some surpassing \$10 billion. Camargo said one of the bribes he paid was 12 million reais to Barusco and Duque to build a major component, known as a coking unit, at the Repar refinery in southern Brazil.

"It was part of the game" and everyone knew it, Camargo said, according to court documents.

'Extremely Cautious'

Camargo said he never paid cash directly to Duque as the former director was "extremely cautious." He would deposit money in offshore accounts and an illegal money changer would deliver cash to Duque and Barusco through intermediaries, according to court documents.

Toyo Setal didn't respond to an e-mail seeking comment. Efforts to reach Camargo and Mendonca by phone were unsuccessful.

Barusco, Camargo and Mendonca highlight efforts by investigators to win collaboration from suspects in exchange for the possibility of leniency. Informants need to back up their statements with documents and bank accounts and are subject to lawsuits if information is inaccurate, Judge Sergio Moro, the head of the case, said in court documents.

"They not only report the facts, but identify bank accounts, transaction dates, meeting locations," three prosecutors wrote in court document dated Nov. 7, referring to the Toyo Setal executives. "They prove all the facts in their testimonies."

'VIP Club'

Mendonca referred to the group of builders as "a VIP club" that paid bribes to intermediaries including Alberto Youssef, a confessed money launderer who acted as a type of banker connecting companies and politicians. Youssef has said the contractors colluded to choose winners ahead of public tenders.

The group would hand a list of participants in Petrobras contracts, including the winner, to Costa beforehand, Youssef said. Costa confirmed the scheme in videotaped testimonies that are part of the court record and are also available on YouTube.

The "active participation" of Barusco and Duque in criminal activity is "without question," three prosecutors said in a Nov. 17 recommendation for criminal action.

The investigation has already led to the arrest of at least 27 people for interrogation on Petrobras-related business, including top executives from construction companies, in a country not used to seeing wealthy business people put under preventative arrest.

"This is the biggest corruption scandal in Brazil and touched for the first time people that up to now were considered above suspicion," Youssef's lawyer, Antonio Figueiredo Basto, said in an interview in Curitiba.

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